



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 19, 2008

David J. Stokes, President
Spa Builders Support Group, Inc.
92254 Stellar Court
Corona, CA 92883

Dear Mr. Stokes:

RE: Final MONITORING VISIT REPORT for Spa Builders Retraining ET06-0245

Date of the Visit:	1/31/08
Beginning/Ending Time:	11:00am – 3:00pm
Date of Last Visit:	6/05/07
Visit Location:	Corona, California
Persons in attendance:	Lilian Makar, Human Resources Manager, Spa Builders Support Group, Inc.; and Suzanne Godin, ETP Contract Specialist
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	2/7/06-2/6/08	Agreement Amount:	\$116,800
Training Start Date:	2/8/06	No. to Retain:	73
Date Training must be Completed:	11/7/07	Range of Hours:	24-180
Type of Trainee:	Retrainee	Weighted Ave. Hours:	80

FINAL REPORT SUMMARY:

AGREEMENT HISTORY

The agreement was executed on 3/16/06 and training began on 2/08/06. Ms. Makar reported that all training was completed on 11/06/07 which allowed for the 90-day retention period to be completed within the term ending date of the Agreement.

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ETP (04/15/05)

INTERVIEW WITH THE CONTRACT REPRESENTATIVE: LILIAN MAKAR, HUMAN RESOURCES MANAGER

You reported that the ETP-funded training had been a positive experience and that without the assistance of ETP, SBSG would not have been able to provide the amount of formal, structured training that it did. As a result of the continuous improvement and manufacturing skills acquired from training, SBSG has begun to develop and implement standard operating procedures. Your employees have begun to function as a team and have a better understanding of and respect for each other's jobs and how one individual's performance (or lack of) affects the rest of the company. Another noticeable change has been the increased confidence of production workers who are more willing to take responsibility for problem solving and are more empowered to make continuous improvement suggestions and interact with management.

You added that the deadlines imposed by ETP had a positive effect on SBSG as it forced the company to make time commitments to the training. The training has also made management realize that there are definite training deficiencies and that additional training is needed.

Lastly, you reported that the ETP on-line record keeping system was extremely user friendly and that Ms. Godin was always available to provide technical assistance when necessary.

DISCUSSION OF PROJECTED EARNINGS:

Ms. Makar provided Ms. Godin with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you expected to retain a total of 37 trainees (51 percent of planned retentions) who had completed the specified range of class/lab hours (24-180) and retention period. SBSG tracked 4,112 eligible hours on the ETP class/lab tracking system for the aforementioned 37 trainees. Therefore, SBSG is eligible to earn \$82,240 (70 percent of the encumbered amount) if all other agreement conditions are met. Current records show that SBSG has received \$81,150.00 in approved progress payments.

Ms. Godin reminded Ms. Makar that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement, which was 3/6/08.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	69	Completed Training:	36
Trainees Enrolled:	69	Completed Retention:	36
Dropped Following Enrollment:	16	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	36		

TRAINING STATUS

All 16 trainees who were dropped following enrollment were dropped because they failed to complete the minimum required 24 hours of class/lab training hours. The statistical data submitted by Ms. Makar during this visit, as detailed above, agreed with the information contained on ETP's Trainee Status Report.

CLASS/LAB ROSTERS/TRACKING DOCUMENTS/INVOICES:

The Analyst randomly chose six retrainees' attendance records to review who are enrolled in this project. The review sample consisted of class/lab attendance documents completed during the period 2/10/06 – 10/18/07 in manufacturing and continuous improvement skills. According to the ETP class/lab tracking system, these retrainees had completed from 24 to 36 hours of class/lab training.

The Analyst compared the information in the ETP class/lab tracking system to the class/lab attendance rosters to ensure that all ETP required information was present as specified in Title 22, California Code of Regulations (CCR), Section 4442. A review of the aforementioned selected sample revealed that the records reviewed met ETP requirements under CCR 4442, and were consistent with information in the class/lab tracking system.

INVOICES:

Ms. Godin assisted Ms. Makar in the submission of Invoice #2 for Progress Payment 1 (enrollment) for 27 trainees, and Progress Payment 2 (completion of training) for 37 trainees. The analyst performed a 100 percent review of class/lab training hours for Progress Payment 1 for 6 of the trainees appearing in Invoice #2 in order to validate the hours for those trainees.

AUDIT:

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

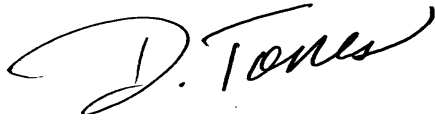
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Suzanne Godin at (619) 686-1918 or at sgodin@etp.ca.gov within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres", written in a cursive style.

Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to read "SMB", written in a cursive style.

Suzanne Godin, Contract Analyst
San Diego Field Office

cc: Amber Luis, Assistant Director
Kulbir Mayall, Fiscal Manager
Master File
Project File

Date Report Mailed to Contractor: 4/9/08